



State of Utah

**Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

GARY R. HERBERT
Governor

GREG BELL
Lieutenant Governor

January 4, 2011

John Gefferth
Consolidation Coal Company
P.O. Box 566
Sesser, Illinois 62884

Subject: Five-Year Permit Renewal, Emery Deep Mine, Consolidation Coal Company, C/015/0015, Task #3649, Outgoing File

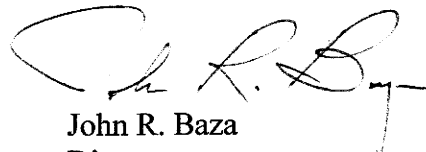
Dear Mr. Gefferth:

The permit renewal for the Emery Deep Mine is approved. Enclosed are two (2) copies of the renewed permanent program permit for the Emery Deep Mine.

Please have both permits signed by the designated signatory authority and return one signed copy to the Division.

If you have any questions, please call me.

Sincerely,



John R. Baza
Director

JRB/sqs
Enclosures
cc: Kenneth Walker, OSM, WRCC
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Outgoing
C0150015
#3649
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**PERMIT RENEWAL
STATE DECISION DOCUMENT**

**CONSOLIDATION COAL COMPANY
EMERY DEEP MINE
C/015/0015**

January 4, 2011

Contents

- * Administrative Overview
- * Permitting Chronology
- * Findings
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- * Affidavit of Publication
- * AVS Compliance Memo

ADMINISTRATIVE OVERVIEW

Consolidation Coal Company
Emery Deep Mine
C/015/0015

January 4, 2011

Background

The Emery Deep Mine is owned by Consolidation Coal Company (Consol). This mine is located in Emery County at the confluence of Quitchapah Creek and Christiansen Wash, approximately four miles south of the town of Emery.

There is a long history of mining in this area. Prior to August 3, 1977, permitted underground coal mining activity was being conducted in Sections 28, 29, 32, and 33 of T22S, R6E. A permanent program permit was issued January 7, 1986 for the Emery Deep Mine and permits were renewed in 1991, 1996, 2001 and 2006.

Due to economic conditions, the Emery Deep Mine was in temporary cessation from 1990 to 2002. Prior to stopping production, the mine was producing approximately 700,000 tons per year. In June 2002, mining commenced on the Fourth East Portal to meet diligence obligations for federal leases associated with the Emery Deep Mine. This diligence was met on June 11, 2003. The mine stopped production temporarily in late 2003 and then started mining again on August 9, 2004 and has been producing over one million tons per year. Coal sales have been quite soft recently and there is discussion again of temporarily stopping or reducing production.

Recommendation for Approval

The Division has determined to approve the permit renewal for five years based on the fact that 1) The terms and conditions of the existing permit are being satisfactorily met; 2) The present coal mining and reclamation operations are in compliance with the environmental protection standards of the State Program; 3) The renewal does not substantially jeopardize the operator's continuing ability to comply with the State Program on existing permit areas; and 4) The operator has provided evidence of having liability insurance and a performance bond which will be in effect for the operation and will continue in full force and effect.

PERMIT CHRONOLOGY

**Consolidation Coal Company
Emery Deep Mine
C/015/0015**

January 4, 2011

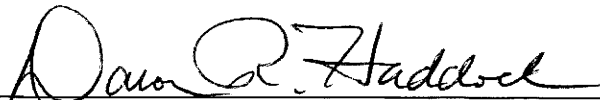
October 6, 2010	Consolidation Coal Company submits updated Mining and Reclamation plan.
October 20, 2010	Division determines permit renewal application plan to be administratively complete. Division notified federal, state, local agencies and water users about the Emery Deep Mine permit renewal application.
November 9, 16, 23 and 30, 2010	Consolidation coal Company publishes Notice for permit renewal for four consecutive weeks in the <u>Emery County Progress</u> .
December 30, 2010	Comment period ends with no comments received.
January 6, 2011	Division issues renewed permit which will expire January 7, 2016.

PERMIT RENEWAL FINDINGS

Consolidation Coal Company
Emery Deep Mine
C/015/0015

January 4, 2011

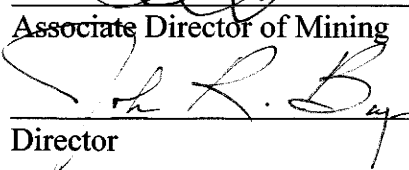
1. The permit renewal term will not exceed the original permit term of five years (R645-303-234).
2. The terms and conditions of the existing permit are being met. (R645-303-233.110).
3. The present coal mining and reclamation operations are in compliance with the environmental protection standards of the Act and the Utah State Program. (R645-303-233.120).
4. The requested renewal will not substantially jeopardize the operator's continuing ability to comply with the Act and the Utah State Program. (R645-303-233.130).
5. The operator has provided evidence of maintaining liability insurance in full effect (Steadfast Insurance Company BOG9377215-06) (R645-303-233.140).
6. The operator has a Surety Bond on file with the Division and has provided evidence that this instrument will remain in full effect. (Surety Bond #188617 in the amount of \$3,510,000 issued by Travelers Casualty and Surety Company of America) (R645-303-233.150).
7. To date, the operator has submitted updated information as required by the Division through this permit term. (R645-233.160).



Permit Supervisor



Associate Director of Mining



Director

FEDERAL

**PERMIT
C/015/0015**

January 6, 2011

**STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801**

This permit, C/015/0015, is issued for the state of Utah by the Utah Division of Oil, Gas and Mining (Division) to:

**Consolidation Coal Company
1000 Consol Energy Drive
Canonsburg, Pennsylvania 15317
(724) 485-4000**

for the Emery Deep Mine. A surety performance bond in the amount of \$3,510,000 payable to the State of Utah, Division of Oil, Gas and Mining and the United States Department of Interior, Office of Surface Mining Reclamation and Enforcement is filed with the Division. Consolidation Coal Company is the lessee of federal coal lease U-5287 and the lessee of certain fee-owned parcels in Sections 29 and 30, Township 22 South, Range 6 East, SLBM.

- Sec. 1 STATUTES AND REGULATIONS** - This permit is issued pursuant to the Utah Coal Mining and Reclamation Act of 1979, Utah Code Annotated (UCA) 40-10-1 et seq, hereafter referred to as the Act.
- Sec. 2 PERMIT AREA** - The permittee is authorized to conduct surface disturbing activities only as described in the approved Mining and Reclamation Plan and within areas covered by the Performance Bond which are within the described permit area at the Emery Deep Mine, situated in the state of Utah, Emery County, and located as follows:

Township 22 South, Range 6 East, SLBM

Section 27: portions of NW1/4, SW1/4, and NE1/4
Section 30: portions of NE1/4
Section 32: portions of NW1/4, NE1/4 and SE1/4
Section 33: portions of NW1/4, NE1/4 and SW1/4

- Sec. 3 AUTHORIZED MINING AREA** - The permittee is authorized to conduct underground coal mining and reclamation activities only as described in the approved Mining and Reclamation Plan and on lands where the "Right-of-Entry" has been acquired. This area includes the area above underground works and areas subject to subsidence and is described as follows:

Township 22 South, Range 6 East, SLBM

Section 19: S1/2 NE1/4, E1/2 SW1/4, and SE1/4;
Section 20: S1/2 NE1/4, SE1/4 NW1/4 and S1/2;
Section 21: S1/2 N1/2 and S1/2;
Section 22: SW1/4 SW1/4;
Section 27: W1/2;
Sections 28,
29, 31, 32: All
Section 30: All except NW1/4 NW1/4, S1/2 NW1/4 SW1/4 and SW1/4 SW1/4; and
Section 33: N1/2 and SW1/4.

This legal description is for the authorized mining area of the Emery Deep Mine. The permittee is authorized to conduct coal mining and reclamation operations connected with mining on the foregoing described property subject to the conditions of the leases, the approved mining plan, including all conditions and all other applicable conditions, laws and regulations.

- Sec. 3 COMPLIANCE** - The permittee will comply with the terms and conditions of the permit, all applicable performance standards and requirements of the State Program.
- Sec. 4 PERMIT TERM** - This permit expires on January 7, 2016.
- Sec. 5 ASSIGNMENT OF PERMIT RIGHTS** - The permit rights may not be transferred, assigned or sold without the approval of the Division Director. Transfer, assignment or sale of permit rights must be done in accordance with applicable regulations, including but not limited to 30 CFR 740.13{e} and R645-303.
- Sec. 6 RIGHT OF ENTRY** - The permittee shall allow the authorized representative of the Division, including but not limited to inspectors, and representatives of the OSMRE, without advance notice or a search warrant, upon presentation of appropriate credentials, and without delay to:
- (a) Have the rights of entry provided for in 30 CFR 840.12, R645-400-110, 30 CFR 842.13 and R645-400-220;
 - (b) Be accompanied by private persons for the purpose of conducting an inspection

in accordance with R645-400-210 and 30 CFR 842, when the inspection is in response to an alleged violation reported to the Division by the private person.

- Sec. 7 SCOPE OF OPERATIONS** - The permittee shall conduct surface disturbing activities only on those lands specifically designated as within the permit area (in section 2 above) on the maps submitted in the approved plan and approved for the term of the permit and which are subject to the performance bond. All coal mining and reclamation operations are to be conducted within the bounds of the authorized mining area.
- Sec. 8 ENVIRONMENTAL IMPACTS** - The permittee shall minimize any adverse impact to the environment or public health and safety through but not limited to:
- (a) Any accelerated monitoring to determine the nature and extent of noncompliance and the results of the noncompliance;
 - (b) Immediate implementation of measures necessary to comply; and
 - (c) Warning, as soon as possible after learning of such noncompliance, any person whose health and safety is in imminent danger due to the noncompliance.
- Sec. 9 DISPOSAL OF POLLUTANTS** - The permittee shall dispose of solids, sludge, filter backwash or pollutants in the course of treatment or control of waters or emissions to the air in the manner required by the approved Utah State Program and the Federal Lands Program which prevents violation of any applicable state or federal law.
- Sec. 10 CONDUCT OF OPERATIONS** - The permittee shall conduct its operations:
- (a) In accordance with the terms of the permit to prevent significant, imminent environmental harm to the health and safety of the public; and
 - (b) Utilizing methods specified as conditions of the permit by DOGM in approving alternative methods of compliance with the performance standards of the Act, the approved Utah State Program and the Federal Lands Program.
- Sec. 11 EXISTING STRUCTURES** - As applicable, the permittee will comply with R645-301 and R645-302 for compliance, modification, or abandonment of existing structures.

- Sec. 12 RECLAMATION FEE PAYMENTS** - The operator shall pay all reclamation fees required by 30 CFR Part 870 for coal produced under the permit, for sale, transfer or use.
- Sec. 13 AUTHORIZED AGENT** - The permittee shall provide the names, addresses and telephone numbers of persons responsible for operations under the permit to whom notices and orders are to be delivered.
- Sec. 14 COMPLIANCE WITH OTHER LAWS** - The permittee shall comply with the provisions of the Water Pollution Control Act (33 USC 1151 et seq), and the Clean Air Act (42 USC 7401 et seq), UCA 26-11-1 et seq, and UCA 26-13-1 et seq.
- Sec. 15 PERMIT RENEWAL** - Upon expiration, this permit may be renewed for areas within the boundaries of the existing permit in accordance with the Act, the approved Utah State Program and the Federal Lands Program.
- Sec. 16 CULTURAL RESOURCES** - If during the course of mining operations, previously unidentified cultural resources are discovered, the permittee shall ensure that the site(s) is not disturbed and shall notify the Division. The Division, after coordination with OSMRE, shall inform the permittee of necessary actions required. The permittee shall implement the mitigation measures required by the Division within the time frame specified by the Division.
- Sec. 17 APPEALS** - The permittee shall have the right to appeal as provided for under R645-300.
- Sec. 18 SPECIAL CONDITIONS** - There are special conditions associated with this permitting action, as described in Attachment A.

The above conditions (Secs. 1-18) are also imposed upon the permittee's agents and employees. The failure or refusal of any of these persons to comply with these conditions shall be deemed a failure of the permittee to comply with the terms of this permit and the lease. The permittee shall require his agents, contractors and subcontractors involved in activities concerning this permit to include these conditions in the contracts between and among them. These conditions may be revised or amended, in writing, by the mutual consent of the Division and the permittee at any time to adjust to changed conditions or to correct an oversight. The Division may amend these conditions at any time without the consent of the permittee in order to make them consistent with any federal or state statutes and any regulations.

THE STATE OF UTAH

By: John R. Bayn
Date: 1/4/2011

I certify that I have read, understand and accept the requirements of this permit and any special conditions attached.

Authorized Representative of the Permittee

Date: _____

ATTACHMENT A
Special Conditions

1. Consolidation Coal Company will submit surface and ground water quality data for the Emery Deep Mine on a quarterly basis in an electronic format through the Electronic Data Input web site, <http://hlunix.hl.state.ut.us/cgi-bin/appx-ogm.cgi>. throughout the life of the permit.


AFFIDAVIT OF PUBLICATION

STATE OF UTAH)

ss.

County of Emery,)

I, Richard Shaw, on oath, say that I am the Publisher of the Emery County Progress, a weekly newspaper of general circulation, published at Castle Dale, State and County aforesaid, and that a certain notice, a true copy of which is hereto attached, was published in the full issue of such newspaper for 4 (Four) consecutive issues, and on the Utah legals.com website; the first publication was on the 9th day of November, 2010, and that the last publication of such notice was in the issue of such newspaper dated the 30th day of November, 2010.



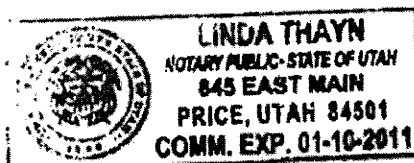
Richard Shaw – Publisher

Subscribed and sworn to before me this 30th day of November, 2010.



Notary Public My commission expires January 10, 2011 Residing at Price, Utah

Publication fee, \$ 491.96



NOTICE

Notice is hereby given that Consolidation Coal Company, 1000 Consol Energy Drive, Canonsburg, Pennsylvania 15317, has filed application with the State of Utah, Department of Natural Resources, Division of Oil, Gas and Mining for a five-year permit renewal of Permit No. ACT/015/015 to operate the Emery Mine under the provisions of the Utah Coal Mining and Reclamation Act and the Utah R645 Coal Mining Rules.

The permit area, as shown on the map below, is located on U.S. Geological Survey 7.5 minute quadrangle map as follows:

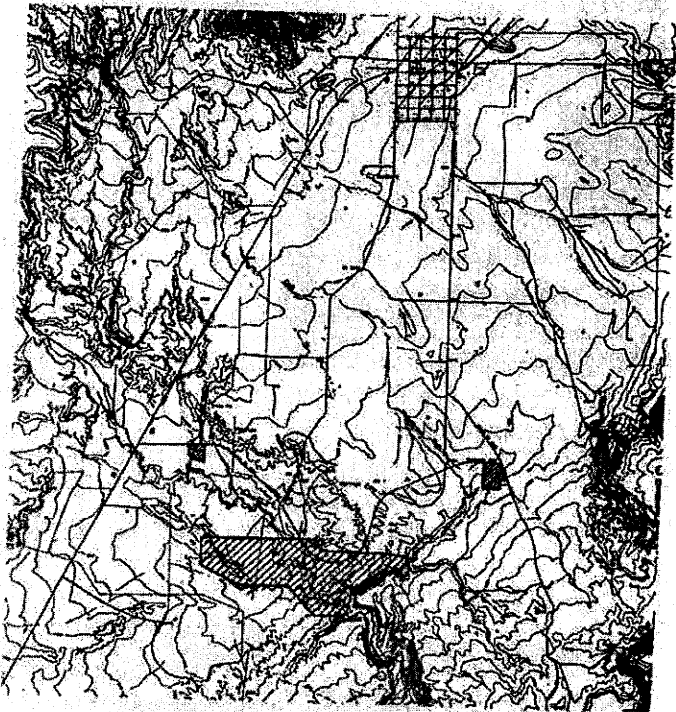
Township 22 South, Range 6 East

Section 27: portions of NW/4, SW/4, NE/4

Section 30: portions of NE/4

Section 32: portions of NW/4, NE/4, SE/4

Section 33: portions of NW/4, NE/4, SW/4



Copies of the application for this permit are available for inspection at:

Emery County Recorder's Office
Emery County Courthouse
Castle Dale, Utah 84513
P.O. Box 145801

Utah Division of Oil, Gas and Mining
Coal Program
1594 West North Temple,
Suite 1210
Salt Lake City, Utah 84114-5801

Written comments on this application should be submitted to the State of Utah, Division of Oil, gas & Mining at the above address. Such comments should be filed within thirty (30) days from the date of the last publication of this notice.

Published in the Emery County Progress November 9, 16, 23 and 30, 2010.



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES


MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

January 4, 2011

TO: Internal File

FROM: Daron R. Haddock, Permit Supervisor 

RE: Compliance Review for Section 510 (c) Findings – Emery Deep Mine,
Consolidation Coal Company, C/015/0015, Task ID #3649

As of the writing of this memo, there are no NOVS or COs which are not corrected or in the process of being corrected. There are no finalized Civil Penalties, which are outstanding and overdue in the name of Consolidation Coal Company. Consolidation Coal Company does not demonstrate a pattern of willful violations, nor have they been subject to any bond forfeitures for any operation in the state of Utah.

The recommendation from the Applicant Violator System (AVS) denotes that all connected entities either do not have any civil penalties or are under a settlement agreement (attached).

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Permit Evaluation

Permit Number ACT015015
 Permittee Name 107373 Consolidation Coal Co
 Date of Evaluation 1/4/2011 1:41:34 PM
 Requested Individual suzanne.steab

CAUTION: The Applicant/Violator System (AVS) is an informational database. Permit eligibility determinations are made by the regulatory authority with jurisdiction over the permit application not by the AVS. Results which display outstanding violations may not include critical information about settlements or other conditions that affect permit eligibility. Consult the AVS Office at 800-643-9748 for verification of information prior to making decisions on these results.

18 Violations Found.

1: Bond Forfeiture	<u>2985329</u>	KY	Permit:2985329	Outstanding	5/14/1987
Violator 1:	078176 Adkins & Webb Inc				
2: State Civil Penalty	<u>053004</u>	KY	Permit:2985329	Outstanding	3/27/1986
Violator 1:	078176 Adkins & Webb Inc				
3: Bond Forfeiture	<u>2985332</u>	KY	Permit:2985332	Outstanding	8/19/1988
Violator 1:	108056 J & H Coal Co				
4: State Civil Penalty	<u>053764</u>	KY	Permit:2985332	Outstanding	9/18/1987
Violator 1:	108056 J & H Coal Co				
5: State Civil Penalty	<u>054149</u>	KY	Permit:2985332	Outstanding	3/28/1988
Violator 1:	108056 J & H Coal Co				
6: Bond Forfeiture	<u>4985319</u>	KY	Permit:4985319	Outstanding	1/20/1989
Violator 1:	034732 Price Coal Co				
7: State Civil Penalty	<u>053671</u>	KY	Permit:4985319	Outstanding	5/22/1987
Violator 1:	034732 Price Coal Co				
8: State Civil Penalty	<u>054020</u>	KY	Permit:4985319	Outstanding	4/26/1988
Violator 1:	034732 Price Coal Co				
9: State Civil Penalty	<u>054058</u>	KY	Permit:4985319	Outstanding	11/20/1987
Violator 1:	034732 Price Coal Co				
10: State Civil Penalty	<u>054148</u>	KY	Permit:4985319	Outstanding	3/24/1988
Violator 1:	034732 Price Coal Co				
11: State Civil Penalty	<u>054323</u>	KY	Permit:4985319	Outstanding	6/15/1988
Violator 1:	034732 Price Coal Co				
12: Bond Forfeiture	<u>6985333</u>	KY	Permit:6985333	Outstanding	1/16/1990
Violator 1:	108056 J & H Coal Co				
13: State Civil Penalty	<u>053568</u>	KY	Permit:6985333	Outstanding	6/5/1987
Violator 1:	108056 J & H Coal Co				
14: State Civil Penalty	<u>053757</u>	KY	Permit:6985333	Outstanding	7/6/1987
Violator 1:	108056 J & H Coal Co				
15: State Civil Penalty	<u>053934</u>	KY	Permit:6985333	Outstanding	10/2/1987
Violator 1:	108056 J & H Coal Co				
16: State Civil Penalty	<u>054316</u>	KY	Permit:6985333	Outstanding	3/28/1988
Violator 1:	108056 J & H Coal Co				
17: State Civil Penalty	<u>054442</u>	KY	Permit:6985333	Outstanding	6/15/1988
Violator 1:	108056 J & H Coal Co				
18: State Civil Penalty	<u>504587</u>	KY	Permit:8985157	Outstanding	8/23/1988
Violator 1:	007928 Past Coal Company Incorporated				

Evaluation OFT

 Entities: 52

124819 Consol Energy Inc - ()
 ---107373 Consolidation Coal Co - (Subsidiary Company)
 -----118427 J Brett Harvey - (Chairman of the Board)
 -----118427 J Brett Harvey - (Chief Executive Officer)

-----118427 J Brett Harvey - (Director)
 -----127689 Rodney E Ford - (Assistant Secretary)
 -----132176 William J Lyons - (Director)
 -----134273 Robert P King - (Director)
 -----134273 Robert P King - (Vice President)
 -----135906 Bart J Hyita - (Chief Operations Officer)
 -----135906 Bart J Hyita - (Director)
 -----135906 Bart J Hyita - (President)
 -----139593 Robert F Pusateri - (Director)
 -----140338 Steven R Stroupe - (Assistant Secretary)
 -----152005 Nicholas J Deiuliis - (Director)
 -----154545 Jack K Richardson - (Vice President)
 -----155925 P Jerome Richey - (Director)
 -----156239 Lorraine L Ritter - (Assistant Secretary)
 -----156239 Lorraine L Ritter - (Controller)
 -----158031 Louis Barletta Jr - (Vice President)
 -----158032 Daniel S Cangilla - (Treasurer)
 -----158150 Jimmy A Brock - (Vice President)
 -----159673 Alexander J Reyes - (Secretary)
 -----247139 Charles T Shaynak - (Vice President)
 -----248744 William D Gillenwater - (Vice President)
 -----248747 Robert M Belesky - (Vice President)
 -----248777 David W Kelly - (Vice President)
 ---118427 J Brett Harvey - (Chairman of the Board)
 ---118427 J Brett Harvey - (Chief Executive Officer)
 ---118427 J Brett Harvey - (Director)
 ---118427 J Brett Harvey - (President)
 ---122200 Randall M Albert - (Senior Vice President)
 ---125002 Phillip W Baxter - (Director)
 ---125002 Phillip W Baxter - (Shareholder)
 ---128701 John T Mills - (Director)
 ---132175 John M Reilly - (Treasurer)
 ---132175 John M Reilly - (Vice President)
 ---132176 William J Lyons - (Chief Financial Officer)
 ---132176 William J Lyons - (Executive Vice President)
 ---133137 James J Mc Caffrey - (Senior Vice President)
 ---134273 Robert P King - (Executive Vice President)
 ---135906 Bart J Hyita - (Chief Operations Officer)
 ---139593 Robert F Pusateri - (Executive Vice President)
 ---146302 Raj K Gupta - (Director)
 ---146635 Joseph T Williams - (Director)
 ---147650 John L Whitmire - (Chairman of the Board)
 ---147650 John L Whitmire - (Director)
 ---147650 John L Whitmire - (Shareholder)
 ---148713 Gary J Bench - (Shareholder)
 ---151262 Patricia A Hammick - (Director)
 ---152005 Nicholas J Deiuliis - (Chief Operations Officer)
 ---152005 Nicholas J Deiuliis - (Vice President)
 ---152015 Albert A Aloia - (Senior Vice President)
 ---154540 James Sr E Altmeyer - (Director)
 ---154541 William E Davis - (Director)
 ---154543 William P Powell - (Director)
 ---154545 Jack K Richardson - (Vice President)
 ---155925 P Jerome Richey - (Corporate Officer)
 ---155925 P Jerome Richey - (Executive Vice President)
 ---155925 P Jerome Richey - (Secretary)
 ---155925 P Jerome Richey - (Vice President)
 ---156239 Lorraine L Ritter - (Controller)
 ---156239 Lorraine L Ritter - (Vice President)
 ---157830 David C Hardesty Jr - (Director)
 ---158031 Louis Barletta Jr - (Vice President)
 ---158110 Stephanie L Gill - (Assistant Secretary)
 ---158150 Jimmy A Brock - (Senior Vice President)
 ---158360 Cecil L Delloma - (Vice President)
 ---158931 George F Rosato - (Vice President)
 ---246806 Donna A Spec - (Assistant Secretary)
 ---246814 Michael D McLean - (Vice President)
 ---247137 Steven E Winberg - (Vice President)
 ---247139 Charles T Shaynak - (Vice President)
 ---247471 Thomas O Johnson - (Vice President)
 ---248725 Stephen W Johnson - (General Counsel)
 ---248725 Stephen W Johnson - (Vice President)
 ---248744 William D Gillenwater - (Vice President)
 ---248745 Darryl M Husenits - (Vice President)
 ---248746 M Charles Hardoby - (Vice President)
 ---248747 Robert M Belesky - (Senior Vice President)
 ---248748 J Michael Onifer - (Senior Vice President)
 ---248777 David W Kelly - (Vice President)
 ---249573 Daniel Zajdel - (Vice President)
 ---250337 Cody S Whippman - (Vice President)
 ---250342 Richard K Elswick - (Vice President)
 ---250343 Christopher Powell - (Vice President)
 ---250939 Brandon R Elliot - (Vice President)

Narrative 1/4/2011 Violations 1-18 are under Island Creek settlement. Linking entities are the evaluated permittee, etc. lk